



COLLECTOR OF REVENUE

MARCH 1, 2010

TO: Chairman Coleman, Chairman Sharkey and Members of the Planning and Development Committee

FROM: William L. Donlin, C.C.M.C. Collector of Revenue, Town of Cheshire

SUBJECT: Raised Bill No. 5254 – An Act Repealing the Municipal Jeopardy Tax

This testimony is in opposition to Raised Bill No. 5254

Occasionally, the collector discovers that between the day of assessment, October 1st and the collection date, July 1st, circumstances may occur which shall jeopardize the collection of certain taxes. Upon this belief, the collector must act to collect at once using CGS 12-163. **Jeopardy collection of taxes.** Pursuant to this state statute, the assessor must value the property on the collector's request. If the mill rate has been set, the collector can use that rate; If the mill rate has not been set, the collector shall use the current mill rate to determine the amount of property tax that shall be due to the municipality. CGS12-163 does not provide a new method of collection and does not provide for a lien. The jeopardy collection statute does assist in collecting from businesses, which are going out of business or relocating to another city or town.

On February 8, 2010, the Town of Monroe evoked the jeopardy collection statute against a manufacturing company that is currently moving its personal property equipment out of state. The manufacturing company expects to close the business by March 31, 2010 and relocate to Israel. The Monroe Tax Collector served a Demand Notice on the company for the estimated personal property tax of \$110,920. Without the jeopardy collection statute, there is no way the Town of Monroe would be able to collect the \$110,920 on July 1, 2010. The personal property is in one corporate name and the real property in another corporation.

The Town of Cheshire currently has nine personal property accounts in the hands of the State Marshal for collection. The collective value of the alias tax warrant is \$23,652.66. Every personal property account has received:

1. The original tax bill in July 2009
2. September reminder notice
3. December delinquent notice
4. Telephone and /or visits to the business location
5. Tax Collector's Demand Notice via certified mail
6. Alias Tax Warrant.

The Cheshire taxpayer was given several notices to respond since the original tax billing of July 1, 2009. In all nine cases, the taxpayer chose to ignore the Town's demand for payment.

Municipal governments rely on the skills and persistence of the collectors to use the available instruments of enforcement effectively and on the General Assembly as well as local government to provide the collectors with adequate statutory support and staff assistance to generate the revenue to fund our local budgets. When legislative changes are imposed upon the collector, the task of the collector may be made overwhelmingly more difficult or even impossible to perform.

I want to thank you for allowing me to provide information today. Please withdraw the repeal of the jeopardy collection statute. I would be happy to answer questions you may have on this matter.